

COLON CANCER ALLIANCE, INC.

FINANCIAL STATEMENTS
December 31, 2000

COLON CANCER ALLIANCE, INC.

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CERTIFIED PUBLIC ACCOUNTANTS
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Colon Cancer Alliance, Inc.
New York, NY

We have audited the accompanying statement of financial position Colon Cancer Alliance, Inc. as of December 31, 2000, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colon Cancer Alliance, Inc. as of December 31, 2000 and the related statement of activities and cash flows for the year then ended, in conformity with generally accepted accounting principles.

New York, NY
August 16, 2001

Gruber & Palumberi, P.C.

COLON CANCER ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2000

ASSETS

Current Assets:		
Cash	\$ 195,266	
Accounts receivable	<u>98,496</u>	
Total Current Assets:		293,762
Fixed Assets:		
Computer equipment, net (Note 2)	<u>1,376</u>	
Total fixed assets		<u>1,376</u>
TOTAL ASSETS		<u>\$ 295,138</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 843	
Accrued expense	<u>3,500</u>	
Total Current Liabilities		4,343
Net assets:		
Unrestricted	183,696	
Temporary Restricted	<u>107,099</u>	
Total Net Assets		<u>290,795</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 295,138</u>

See accountant's report and notes to financial statements.

COLON CANCER ALLIANCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Unrestricted	Temporarily Restricted	Temporarily Restricted	TOTAL
	General Fund	Membership Conference Fund	Connection Campaign Fund	
ORDINARY INCOME				
Grants	10,000	26,250	212,000	\$248,250
Corporate Partnership Dues	137,500	-	-	137,500
Contributions	46,815	-	-	46,815
Merchandise Income	890	-	12,254	13,134
Miscellaneous Income	1,227	-	33	1,260
Total Income	196,422	26,250	224,287	446,959
PROGRAM EXPENSES				
Accounting Fees	5,767	-	-	5,767
Connections Campaign Expense	-	-	103,739	103,739
Consulting Fees	16,762	8,304	5,257	30,323
Equipment Rental	5,403	-	-	5,403
Merchandise Expense	5,025	-	2,560	7,585
Postage and Delivery	2,081	2,161	3,852	8,094
Printing and Reproduction	2,851	-	123	2,974
Program Expenses	212	9,898	-	10,110
Teleconferencing	2,317	-	-	2,317
Travel	19,238	4,433	1,327	24,998
Total Program Expenses	59,656	24,796	116,858	201,310
GENERAL EXPENSES				
Advocacy	851	-	-	851
Media	460	-	-	460
Automobile Expense	466	-	-	466
Bank and Credit Card Charges	795	-	-	795
Licenses and Permits	342	-	-	342
Telephone Expenses	2,948	581	1,003	4,532
Office Supplies	1,437	51	149	1,637
Depreciation Expense	344	-	-	344
Miscellaneous Expenses	203	-	-	203
Total General Expenses	7,846	632	1,152	9,630
TOTAL EXPENSES	67,503	25,428	118,010	210,940
Net Income (Loss) from operations	128,919	822	106,277	236,018
OTHER INCOME (EXPENSE)				
Interest Income	875	-	-	875
TOTAL OTHER INCOME (EXPENSE)	875	-	-	875
NET INCOME (LOSS)	129,794	822	106,277	236,893
NET ASSETS-BEGINNING OF PERIOD	53,902	-	-	53,902
NET ASSETS-END OF PERIOD	183,696	822	106,277	290,795

See accountant's report and notes to financial statements

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GRUBER & PALUMBERI, P.C.
 CERTIFIED PUBLIC ACCOUNTANTS

COLON CANCER ALLIANCE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000

Cash flows from operating activities:

Increase in Net Assets		<u>\$ 236,893</u>
Depreciation	344	
(Increase) decrease in accounts receivable	(98,496)	
(Increase) decrease in due from ACOR	55,902	
Increase (decrease) in accounts payable & accrued expenses	<u>2,343</u>	
Total adjustments		<u>(39,907)</u>
Net cash provided (used) by operating activities		196,986

Cash flows from investing activities:

Cash payments for purchase of property		(1,720)
Net increase (decrease) in cash and equivalents		195,266
Cash and equivalents, beginning of year		<u>0</u>
Cash and cash equivalents, end of year		<u>\$ 195,266</u>

See accountant's report and notes to financial statements.

COLON CANCER ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

History and Organization:

Colon Cancer Alliance, Inc. (the "organization") was incorporated on March 18, 1999. The Corporation is a non profit organization organized and operated exclusively for charitable and educational purposes. It provides materials about colorectal cancer.

Financial Statement Presentation:

The financial statements of Colon Cancer Alliance, Inc. have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

The organization follows FAS No 117, "Financial Statements of Not-for-Profit Organizations". Under FAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets.

The classification of an organization's assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted and unrestricted - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organizations limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statements of unrestricted revenue, expenses and other changes in unrestricted net assets.

Unrestricted - The part of net assets that is neither permanently not temporarily restricted by donor-imposed stipulations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

COLON CANCER ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2000

Contributions:

Contributions received in one year for use in the subsequent year, if applicable, are deferred in the year of receipt and reflected in income in the subsequent year to which they have been designated by the respective donors. Non-cash contributions are recorded at their fair market value at the date of donation and are included in offerings.

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents:

All highly liquid investments with a maturity of three months or less at date of purchase are carried at fair value and are considered to be cash equivalents.

NOTE 2 - PLANT AND EQUIPMENT

Depreciation is computed on individual assets by the double declining method at rates adequate to amortize the cost of applicable assets over their useful lives. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts and the resulting gain or losses are reflected in income, except on assets traded. Expenditures for normal maintenance and repairs are expensed, while major renewals are capitalized.

Plant and equipment are summarized as follows:

Office Equipment	1,720
Less: Accumulated depreciation	<u>(344)</u>
Plant and equipment, net	<u>1,376</u>

NOTE 3 - INCOME TAX STATUS

No provision for federal or state income taxes has been made because the organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code.

NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.